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SUBJECT: REGIONAL ECONOMIC AND CULTURAL DIFFERENCES HELP EXPLAIN
THAILAND'S RED-YELLOW DIVIDE

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11. (SBU) SUMMARY: The economic and social climates in the Northeastern and upper South regions in Thailand differ in important ways that may help explain their opposing political loyalties. Villages in the Northeast tend to struggle economically, export large numbers of working-age adults, and welcome government populist programs for the promise they bring to strengthen the economy. Villagers in the upper South, by contrast, have invested successfully in labor-intensive palm oil and rubber plantations. Local working-age adults tend to stay in the area, moving up to small handicraft and tourism sector jobs, while workers from the Northeast and Burma are brought in to provide the more menial agricultural labor. Operating successfully without much intervention from Bangkok, villagers in the upper South have less enthusiasm for the government's populist programs. Regional culture in the upper South, especially among large pockets of well-integrated Muslim communities, tends to prefer the status quo, while the Northeast is anxious for something better. End Summary.

12. (SBU) Comment: Even a cursory look at Thailand's political map reveals that the "red vs. yellow" divide is not simply an urban (Bangkok)-rural split, though the dividing line does tend to run between those who are relatively better-off under the status quo, and those who are not. The political division does become strikingly geographical at voting time because migrant workers, who are predominantly from the Northeast and are spread around the country, can generally only vote in their home villages. While social and economic differences explain political loyalties in these regions to some extent, emotional and long standing provincial ties to different political factions are somewhat impervious to even the best efforts at government policy-making. End comment.

13. (SBU) In recent trips to three provinces in Thailand's Northeast region and three others in the upper South, Econoff visited rural villages and government offices to gauge the impact of government programs on life beyond Bangkok. Villages in Thailand vary greatly, from those where the elected village headman does not wear shoes to those where the village council welcomed Econoff to a Power Point presentation in the newly-constructed village hall. The economic and cultural differences between the regions seem striking, and may help explain why the Northeast is predominantly "red" and continues to support ousted Prime Minister Thaksin Shinawatr, while the upper South favors the Democrat Party now in power and provided many "yellow" foot soldiers in the 2008 protests.

Making a Living

14. (SBU) Northeast Thailand is Thailand's most highly populated region and also the most difficult economically. Even with the relatively high agricultural prices during the past year, much of the wealth landed in the hands of the millers and brokers; not enough stayed in the villages to keep village families on the farm, Econoff was told. During the March to May hot, dry season in particular, the land becomes parched, and working-age adults head to

Bangkok and beyond in search of work. Over the years, many have continued to reside in their newfound places of work, returning home only during the annual April New Year water festival. The extended families who traditionally joined to work the rice paddies have given way to contract labor and mechanized planting, as many villages seem "hollowed out," inhabited mainly by children and the elderly.

15. (SBU) The upper South, by contrast, has expanded palm oil and rubber plantations far beyond what locally-available labor could take care of and is a net importer of workers, mainly from the Northeast, but also from Burma. The climate is different in the South, which has a second monsoon. Palm oil and rubber plantations have complementary harvesting seasons, so there is year-round production. The region also benefits from increased tourism. Not only world-famous Phuket, but Samui Island and now Krabi boast direct air flights to Europe. Unlike the Northeast which craves development, the Upper South, while not rich, is more satisfied economically. A proposal for a Southern Seaboard industrialized land bridge to link the Gulf of Thailand with the Andaman Sea has languished on the drawing boards for decades. Locals told Econoff that while it would boost GDP, it could also disrupt the landscape and the growth of eco-based tourism.

16. (SBU) While migrant labor moves freely between all regions in Thailand, the upper South tends to keep its talent home. Villagers and officials told Econoff that menial labor, especially in agriculture, is increasingly turned over to Northeastern and Burmese workers and the locals have moved on to develop advanced year-round farming techniques for exotic fruits, such as the mangosteen, for international markets, OTOP village handicraft programs, and the tourist sector. The Northeast, by contrast, sends away much of the working talent it would need to capitalize fully on development opportunities, making government assistance from Bangkok for those who remain in the villages all the more attractive.

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Impact of Populist Programs

17. (SBU) When villagers in the Northeast explained to Econoff why Thaksin remains popular, despite allegations of the former Prime Minister's large-scale corruption, they typically said that Thai politicians have always been corrupt, but that Thaksin "gave some back" in the populist programs he initiated during his years in power. The popularity of these programs--the 30 baht universal health care program, a revolving village entrepreneurship fund, bonus payments for teachers, agricultural price supports--is unquestioned; each government after Thaksin has continued and expanded them. But in the Northeastern villages Econoff visited, at least, Thaksin continues to get all the credit for them.

18. (SBU) The success of the programs varies. In some villages, the USD 30,000 revolving fund appears well-managed, Econoff observed. Government rules stipulate that borrowers must repay loans with interest within a year and village committees vet loan applications and ensure repayment. In other villages, the elders told Econoff it is too difficult to make decisions and so they divide up the fund among all families equally. Some village leaders admit that some recipients have squandered the money on cell phones or motorcycles, and have had to take out higher interest loans from loan sharks to cover themselves, increasing their debt burden. Some borrowers reportedly believed that the money was a gift from Thaksin and claimed they did not know it had to be re-paid. In most all cases, particularly in the Northeast, village headmen and committees said they believe the fund is a good thing. At the very least it develops management capacity among village leaders.

19. (SBU) In the upper South, enthusiasm for the village fund is not as high, but villagers there appreciate money from the government as much as people elsewhere. One village head told Econoff, "We were suspicious at first, of course, because we knew the money came from Thaksin." In explaining the village's political leanings, he told a local joke that they would vote for a telephone pole to represent them in Parliament so long as it was a member of the Democrat Party. The Democrat Party's roots in the upper South go back decades. One

developer in Krabi attributed the province's prosperity in recent years to the opening of the international airport in the late 1990s, which he said was made possible by the efforts of former Democrat Party leader Chuan Leekpai (Prime Minister from 1992-95 and 1997-2001) to pull together the necessary land parcels.

¶10. (SBU) Views on the merits of the health care program are generally positive in both regions, Econoff found. However, some villagers in the Upper South believe that the old program, under which people could buy a 500 baht (14 dollar) card and get medical care for a year, was better because lines were not so long back then. Villagers everywhere complain about the long waiting lines under the new program (which Thaksin's successor governments have reduced to zero payment for all citizens not covered by other government health plans). One villager said that the last time he went to the hospital he arrived at 6:00 a.m., but there were already 200 people there and he did not get seen that day. He had to sleep over in the waiting room to be seen the following day. Local hospital figures show that patient visits are up 50 percent since medical care has been provided free of charge.

Cultural and Religious Differences

¶11. (SBU) Northeast Thailand is solidly Buddhist. Some villages have their own Buddhist temples and resident monks. A key priority for all village leaders is to arrange for access to monks for the villagers for instruction, opportunities for merit-making, and performance of rituals. Monks joined Econoff's discussion with a village head in Mahasarakham province. They spoke at length, however, about the challenges of promoting religious observance when traditional mores are breaking down. Young women are willing to sleep with men to get money to buy cell phones. Some villages have serious drug abuse problems. There is a debate going on as to whether the monkhood should continue to sponsor highly popular festivals at the temples, knowing that on those occasions in particular alcohol consumption will soar, or whether they should "return to the basics" and stress asceticism and devotion, knowing that approach would make the religion less popular. Facing these challenges, government programs that offer the possibility of strengthening village life and the local economy are much appreciated.

¶12. (SBU) The upper South, particularly in provinces along the Andaman coast, is perhaps half Muslim. Unlike their cousins in the deep South, these Muslims do not speak Malay and are well-integrated into Thai society. (Note: Separately, we have heard that numbers of Muslim Malay families have been moving to the upper South from the deep South to escape the poor security situation there.) Econoff was told that many children in Muslim villages attend

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evening classes to learn about their faith, but they attend regular Thai schools and consider themselves fully Thai. In his interaction with them, Econoff found that had not some of the women worn head-scarves, there would have been nothing to indicate that these Muslim Thai were any different from Buddhist Thai elsewhere. Among the Buddhists in the area, the Muslims have a reputation as good business people, if small-scale. One Muslim village in Krabi province is expanding its home-stay business, where mainly Western tourists have made reservations on-line and can choose between eco-tour days spent harvesting rubber or going out on fishing boats.

Provincial economic planners working on the Southern Land Bridge told Econoff, however, that Muslim villages are not interested in relocating or taking in new industry that would threaten their family-based local culture. Buddhist villages are more willing to uproot and consider taking jobs in the industrial sector, "if that would be good for the development of the country."

JOHN